

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023

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PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2023 RM'000	Preceding year corresponding quarter 31.12.2022 RM'000	Current year to date 31.12.2023 RM'000	Preceding year corresponding year to date 31.12.2022 RM'000
Revenue	256,573	214,495	808,126	597,412
Cost of sales	(228,180)	(193,673)	(724,929)	(535,770)
Gross profit	28,393	20,822	83,197	61,642
Other income	1,934	2,324	4,424	4,545
Selling and distribution expenses	(3,129)	(2,687)	(8,784)	(7,683)
Administrative expenses	(15,939)	(13,303)	(45,423)	(41,687)
Other operating expenses	(669)	(1,316)	(1,804)	(1,582)
Finance costs	(2,912)	(2,368)	(8,817)	(6,034)
Net impairment (losses)/gains on financial assets and contract assets	(54)	108	867	136
Share of results in jointly controlled entities	2	(21)	20	(51)
Share of results in an associate	1,556	108	3,186	691
Profit before taxation	9,182	3,667	26,866	9,977
Income tax expense	(1,833)	(1,323)	(6,196)	(3,710)
Profit after taxation	7,349	2,344	20,670	6,267
Other comprehensive income				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Cash flow hedge	567	260	237	64
Foreign currency translation	252	257	885	985
Total other comprehensive income	819	517	1,122	1,049
Total comprehensive income for the period	8,168	2,861	21,792	7,316

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023 (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2023 RM'000	Preceding year corresponding quarter 31.12.2022 RM'000	Current year to date 31.12.2023 RM'000	Preceding year corresponding year to date 31.12.2022 RM'000
Profit after taxation attributable to:-				
- Owners of the Company	7,362	2,372	20,624	6,212
- Non-controlling interests	(13)	(28)	46	55
	<u>7,349</u>	<u>2,344</u>	<u>20,670</u>	<u>6,267</u>
Total comprehensive income attributable to:-				
- Owners of the Company	8,181	2,889	21,746	7,261
- Non-controlling interests	(13)	(28)	46	55
	<u>8,168</u>	<u>2,861</u>	<u>21,792</u>	<u>7,316</u>
Weighted average number of shares in issue ('000)	465,665	460,057	465,295	460,057
Earnings per ordinary share (sen):-				
-Basic	1.58	0.52	4.43	1.35
-Diluted	1.06	0.26	2.97	0.68

The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023

	31.12.2023	31.03.2023
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Investment in an associate	7,517	6,732
Investment in jointly controlled entities	1,493	1,473
Property, plant and equipment	41,717	47,142
Investment properties	9,037	8,992
Intangible assets	19,443	24,870
Other investments	9,750	9,970
Deferred tax assets	4,020	4,791
Goodwill	53,138	53,138
Trade receivables	8,076	13,099
	<hr/>	<hr/>
	154,191	170,207
	<hr/>	<hr/>
Current assets		
Inventories	67,552	61,072
Trade and other receivables	277,393	264,197
Contract assets	185,249	184,534
Short term investments	7,127	9,363
Derivative assets	387	80
Current tax assets	895	2,784
Deposits, cash and bank balances	20,258	14,157
	<hr/>	<hr/>
	558,861	536,187
	<hr/>	<hr/>
TOTAL ASSETS	713,052	706,394
	<hr/>	<hr/>

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2023 (CONT'D)

	31.12.2023	31.03.2023
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	156,379	154,991
Treasury shares	(2,313)	(2,313)
Redeemable convertible preference shares	121,543	121,543
Reserves	49,785	34,531
	<hr/>	<hr/>
Equity attributable to owners of the Company	325,394	308,752
Non-controlling interests	720	674
	<hr/>	<hr/>
Total equity	326,114	309,426
	<hr/>	<hr/>
Non-current liabilities		
Borrowings	16,047	23,018
Deferred tax liabilities	5,733	7,032
	<hr/>	<hr/>
	21,780	30,050
	<hr/>	<hr/>
Current liabilities		
Trade and other payables	115,506	127,692
Contract liabilities	10,277	3,491
Derivative liabilities	-	66
Borrowings:-		
- bank overdrafts	11,519	17,148
- other borrowings	218,976	212,721
Provision for employee benefits	6,260	4,405
Current tax liabilities	2,620	1,395
	<hr/>	<hr/>
	365,158	366,918
	<hr/>	<hr/>
Total liabilities	386,938	396,968
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	713,052	706,394
	<hr/>	<hr/>
Net assets per ordinary share attributable to owners of the Company (RM)	0.70	0.67
	<hr/> <hr/>	<hr/> <hr/>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR TO DATE ENDED 31 DECEMBER 2023

9-month period ended	Share Capital RM'000	Treasury Shares RM'000	Redeemable Convertible Preference Shares RM'000	< ----- Non-distributable ----- >			<distributable>		Non- Controlling Interests RM'000	Total Equity RM'000
				Reverse Acquisition Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000		
Balance at 01.04.2023	154,991	(2,313)	121,543	(116,732)	6,082	21	145,160	308,752	674	309,426
Profit after taxation for the period	-	-	-	-	-	-	20,624	20,624	46	20,670
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	885	-	-	885	-	885
- Cash flow hedge	-	-	-	-	-	237	-	237	-	237
Total comprehensive income for the period	-	-	-	-	885	237	20,624	21,746	46	21,792
Contributions by and distributions to owners of the Company:-										
- Exercise of warrants	1,388	-	-	-	-	-	-	1,388	-	1,388
- Dividends	-	-	-	-	-	-	(6,492)	(6,492)	-	(6,492)
Total transactions with owners	1,388	-	-	-	-	-	(6,492)	(5,104)	-	(5,104)
Balance at 31.12.2023	156,379	(2,313)	121,543	(116,732)	6,967	258	159,292	325,394	720	326,114

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR TO DATE ENDED 31 DECEMBER 2023 (CONT'D)

9-month period ended	Share Capital RM'000	Treasury Shares RM'000	Redeemable Convertible Preference Shares RM'000	< ----- Non-distributable ----- >			<distributable>		Non- Controlling Interests RM'000	Total Equity RM'000
				Reverse Acquisition Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000		
Balance at 01.04.2022	153,182	(2,313)	121,543	(116,732)	4,864	(421)	141,297	301,420	457	301,877
Profit after taxation for the period	-	-	-	-	-	-	6,212	6,212	55	6,267
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	985	-	-	985	-	985
- Cash flow hedge	-	-	-	-	-	64	-	64	-	64
Total comprehensive income for the period	-	-	-	-	985	64	6,212	7,261	55	7,316
Contributions by and distributions to owners of the Company:-										
- Dividends	-	-	-	-	-	-	(4,862)	(4,862)	-	(4,862)
Total transactions with owners	-	-	-	-	-	-	(4,862)	(4,862)	-	(4,862)
Balance at 31.12.2022	153,182	(2,313)	121,543	(116,732)	5,849	(357)	142,647	303,819	512	304,331

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 31 DECEMBER 2023

	Current year to date 31.12.2023 RM'000	Preceding year corresponding year to date 31.12.2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	26,866	9,977
Adjustments for:-		
Allowance for impairment losses on receivables	2,640	3,030
Allowance for impairment losses on contract assets	-	490
Allowance for impairment losses on receivables no longer required	(3,055)	(3,614)
Allowance for impairment losses on contract assets no longer required	(452)	(42)
Allowance for slow-moving inventories	578	186
Allowance for slow-moving inventories no longer required	(166)	(421)
Amortisation of intangible assets	5,218	3,337
Bad debts recovered	(49)	-
Bad debts written off	5	39
Contract assets written back	(549)	-
Contract assets written off	-	549
Depreciation of property, plant and equipment	9,047	8,410
Depreciation of investment properties	128	124
Fair value gain on derivatives	(24)	(105)
Fair value loss on other investments	220	2,456
Gain on disposal of property, plant and equipment	(195)	(164)
Gain on derecognition of leases	(73)	(20)
Impairment losses on intangible assets	-	808
Impairment losses on intangible assets no longer required	(981)	-
Intangible assets written off	1,221	-
Interest expense	8,817	6,034
Interest income	(347)	(300)
Provision for employee benefits	3,999	3,727
Share of results in jointly controlled entities	(20)	51
Share of results in an associate	(3,186)	(691)
Unrealised loss/(gain) on foreign exchange	48	(46)
Operating profit before working capital changes	49,690	33,815
Increase in inventories	(6,790)	(1,002)
Net decrease/(increase) in contract assets	6,522	(47,057)
Increase in trade and other receivables	(7,497)	(37,243)
(Decrease)/increase in trade and other payables	(11,417)	22,981
Employee benefits paid	(2,149)	(2,504)
CASH FROM/(FOR) OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD	28,359	(31,010)

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 31 DECEMBER 2023 (CONT'D)

	Current year to date 31.12.2023 RM'000	Preceding year corresponding year to date 31.12.2022 RM'000
CASH FROM/(FOR) OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD	28,359	(31,010)
Interest paid	(7,605)	(4,515)
Interest received	337	293
Income tax paid	(4,028)	(2,812)
Income tax refunded	344	700
NET CASH FROM/(FOR) OPERATING ACTIVITIES	17,407	(37,344)
CASH FLOWS FOR INVESTING ACTIVITIES		
Dividend received from jointly controlled entities and associate	2,400	1,600
Proceeds from disposal of property, plant and equipment	211	285
Purchase of intangible assets	(20)	(5)
Purchase of investment properties	(174)	(84)
Purchase of property, plant and equipment	(2,823)	(5,409)
NET CASH FOR INVESTING ACTIVITIES	(406)	(3,613)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Dividend paid	(6,492)	(4,862)
Increase in pledged deposits with licensed bank	(5)	(4)
Interest paid on long-term borrowings	(1,212)	(1,519)
Net of drawdown/(repayment) of bankers' acceptance	9,155	(12,820)
Net of (repayment)/drawdown of invoice financing	(1,041)	2,804
Net of (repayment)/drawdown of revolving credit	(550)	43,620
Proceeds from exercise of warrants	1,388	-
Repayment of hire purchase liabilities	(1,806)	(1,628)
Repayment of lease liabilities	(2,715)	(2,579)
Repayment of term loans	(4,500)	(4,500)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(7,778)	18,512
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,223	(22,445)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	265	182
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	6,098	39,049
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	15,586	16,786

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR TO DATE ENDED 31 DECEMBER 2023 (CONT'D)

	Current year to date 31.12.2023 RM'000	Preceding year corresponding year to date 31.12.2022 RM'000
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	19,978	14,461
Bank overdrafts	(11,519)	(10,902)
Short-term investments	7,127	13,227
	<hr/> 15,586	<hr/> 16,786 <hr/>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

The unaudited interim financial statements have been prepared in accordance with *MFRS 134: Interim Financial Reporting* issued by Malaysian Accounting Standards Board, *IAS 34: Interim Financial Reporting* issued by International Accounting Standards Board and *paragraph 9.22 of the Main Market Listing Requirements* of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2023.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2023, except as follows:

On 1 April 2023, the Group adopted the following Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2023:-

- *MFRS 17 Insurance Contracts*
- *Amendments to MFRS 17: Insurance Contracts*
- *Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- *Amendments to MFRS 101: Disclosure of Accounting Policies*
- *Amendments to MFRS 108: Definition of Accounting Estimates*
- *Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The adoption of the abovementioned MFRSs, Amendments to MFRSs and IC Interpretations (including the consequential amendments) did not have any material impact on the financial statements of the Group.

A2 Comments about seasonality or cyclicity of operations

The business of the Group is not subject to seasonal or cyclical fluctuations.

A3 Unusual items due to their nature, size and incidence

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size or incidence during the current quarter under review.

A4 Changes in estimates

There were no changes in the estimates that have had a material effect in the current quarter under review.

A5 Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities for the current quarter under review.

A6 Dividend paid

There was no dividend paid by the Company during the quarter under review.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A7 Segmental information

The following is an analysis of the Group's revenue and results by reportable segments:-

(a) Business segments

	Marine & Industrial RM'000	Building & Construction Materials RM'000	Agro Engineering RM'000	Electrical & Air Conditioning RM'000	Heavy Equipment RM'000	Mechanical & Electrical RM'000	Construction & Infrastructure RM'000	Year to date 31.12.2023 RM'000
Revenue								
External revenue	123,288	166,844	33,855	29,726	21,965	83,931	348,517	808,126
Inter-segment revenue	156	8,262	18	1,810	21,781	6,372	-	38,399
	123,444	175,106	33,873	31,536	43,746	90,303	348,517	846,525
Adjustments and eliminations								(38,399)
Consolidated revenue								808,126
Results								
Segment results	20,034	8,270	1,249	2,021	2,171	8,242	9,225	51,212
Adjustments and eliminations	-	-	-	-	564	1,221	-	1,785
	20,034	8,270	1,249	2,021	2,735	9,463	9,225	52,997
Share of results in jointly controlled entities								20
Share of results in an associate								3,186
Unallocated income								1,283
Unallocated expenses								(30,620)
Consolidated profit before taxation								26,866

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A7 Segmental information (cont'd)

(a) Business segments (cont'd)

	Marine & Industrial RM'000	Building & Construction Materials RM'000	Agro Engineering RM'000	Electrical & Air Conditioning RM'000	Heavy Equipment RM'000	Mechanical & Electrical RM'000	Construction & Infrastructure RM'000	Year to date 31.12.2023 RM'000
Assets								
Segment assets	75,686	65,954	15,686	18,485	22,661	68,674	333,732	600,878
Investment in an associate								7,517
Investment in jointly controlled entities								1,493
Goodwill								53,138
Unallocated assets								46,006
Deferred tax assets								4,020
Consolidated total assets								713,052

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)

A7 Segmental information

The following is an analysis of the Group’s revenue and results by reportable segments:-

(a) Business segments

	Marine & Industrial RM’000	Building & Construction Materials RM’000	Agro Engineering RM’000	Electrical & Air Conditioning RM’000	Heavy Equipment RM’000	Mechanical & Electrical RM’000	Construction & Infrastructure RM’000	Year to date 31.12.2022 RM’000
Revenue								
External revenue	67,449	116,831	36,851	27,221	37,888	81,943	229,229	597,412
Inter-segment revenue	159	14,427	8	934	34,567	255	-	50,350
	67,608	131,258	36,859	28,155	72,455	82,198	229,229	647,762
Adjustments and eliminations								(50,350)
Consolidated revenue								597,412
Results								
Segment results	14,155	6,299	2,778	2,775	3,200	3,041	3,100	35,348
Adjustments and eliminations	-	-	-	-	393	1,177	-	1,570
	14,155	6,299	2,778	2,775	3,593	4,218	3,100	36,918
Share of results in jointly controlled entities								(51)
Share of results in an associate								691
Unallocated income								640
Unallocated expenses								(28,221)
Consolidated profit before taxation								9,977

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A7 Segmental information (cont'd)

(a) Business segments (cont'd)

	Marine & Industrial RM'000	Building & Construction Materials RM'000	Agro Engineering RM'000	Electrical & Air Conditioning RM'000	Heavy Equipment RM'000	Mechanical & Electrical RM'000	Construction & Infrastructure RM'000	Year to date 31.12.2022 RM'000
Assets								
Segment assets	37,667	58,734	19,517	16,572	18,223	56,724	330,891	538,328
Investment in an associate								7,691
Investment in jointly controlled entities								1,487
Goodwill								53,138
Unallocated assets								67,194
Deferred tax assets								3,858
Consolidated total assets								671,696

(b) Geographical segments

	Year to date	
	31.12.2023 RM'000	31.12.2022 RM'000
Total revenue from external customers		
- Malaysia	795,999	584,969
- Singapore	12,127	12,443
	808,126	597,412

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A8 Property, plant and equipment

(a) Acquisition and disposal of property, plant and equipment

There was no material acquisition or disposal of property, plant and equipment since the end of last financial year.

(b) Impairment losses

Neither loss from impairment of property, plant and equipment nor reversal of such impairment losses was recognised since the end of last financial year.

(c) Valuation

As at 31 December 2023, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 19 February 2024.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 31 December 2023.

A11 Contingent liabilities

As at 19 February 2024, there were no material contingent liabilities or contingent assets which, upon being enforceable, might have a material impact on the financial position or business of the Group.

A12 Capital commitment

The capital commitments of the Group as at 31 December 2023 were as follows:

	RM'000
Purchase of property, plant and equipment	151
Purchase of investment properties	130
	<u>281</u>

A13 Significant related party transactions

	Quarterly ended		Year to date	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	530	575	1,634	1,631
Transactions with other related parties	10,725	12,389	34,559	40,925

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of performance

The Group registered higher revenue of RM808.1 million for the period ended 31 December 2023, an increase of 35.3% or RM210.7 million compared to RM597.4 million reported in the previous corresponding period. All business segments, except for Agro Engineering and Heavy Equipment, recorded revenue growth.

For the period ended 31 December 2023, the Group posted a net profit of RM20.7 million compared with RM6.3 million a year earlier.

Marine & Industrial Segment

Quarterly results

Compared to the corresponding quarter of previous year, Marine and Industrial segment posted an 127.7% increase in revenue to RM42.4 million in 3QFY24 on higher sales from marine engines.

With the increase in revenue, operating profit for the quarter rose 35.7% to RM5.1 million from RM3.8 million a year earlier.

Financial year-to-date

Revenue on a year-on-year basis increased 82.8% to RM123.3 million on the back of higher sales mainly from marine engines.

For YTD 3QFY24, operating profit was up by 41.5% to RM20.0 million from RM14.2 million a year earlier, driven by improved sales.

Building & Construction Materials Segment

Quarterly results

Building & Construction Materials segment saw its operating profit increase by 63.7% in 3QFY24 to RM3.3 million, from RM2.1 million on higher revenue during the quarter coupled with impairment gains on trade receivables. Revenue for the quarter gained 16.0% to RM45.9 million from RM39.6 million a year ago, mainly because of higher sales in building structural products.

Financial year-to-date

For YTD 3QFY24, the segment's revenue rose 42.8% to RM166.8 million from RM116.8 million recorded in the same period last year, while operating profit increased to RM8.3 million from RM6.3 million previously, driven by revenue growth and impairment gains on trade receivables.

Agro Engineering Segment

Quarterly results

For 3QFY24, Agro Engineering segment's revenue on y-o-y basis came in 18.6% lower to RM9.8 million on the back of lower sales mainly from fertilisers. Operating profit for the quarter fell 83.1% year-on-year to RM0.1 million, on lower revenue and higher debt provisions.

Financial year-to-date

For YTD 3QFY24, the segment's revenue decreased by 8.1% to RM33.9 million from RM36.9 million in the corresponding period of the previous year, while operating profit dropped by 55.0% to RM1.2 million from RM2.8 million, primarily attributed to an unfavourable product mix and a higher provision for credit losses.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B1 Review of performance (Cont'd)

Electrical & Air Conditioning Segment

Quarterly results

Compared to the previous corresponding quarter, Electrical & Air Conditioning segment's revenue for 3QFY24 increased 27.5% to RM10.7 million, while operating profit decreased 63.5% to RM0.5 million from RM1.5 million previously. This was mainly due to the absence of write back of impairment losses on trade receivables and lower earnings resulting from margin compression for lighting and air conditioning products.

Financial year-to-date

On a y-o-y comparison, the segment's revenue increased 9.2% to RM29.7 million for YTD 3QFY24. However, the operating profit for the same period decreased by 27.2% to RM2.0 million, mainly due to the absence of write back of impairment losses on trade receivables.

Heavy Equipment Segment

Quarterly results

Heavy Equipment segment saw its operating profit for 3QFY24 drop 23.2% to RM1.4 million from RM1.8 million in the same quarter last year, while revenue dipped 3.6% to RM10.9 million from RM11.3 million a year earlier.

Financial year-to-date

The segment's operating profit for YTD 3QFY24 slipped 23.9% to RM2.7 million from RM3.6 million in YTD 3QFY23, weighed down by lower revenue which decreased by 42.0% to RM22.0 million from RM37.9 million in the same period last year.

The lower performance was primarily due to weaker sales largely from backhoe loaders.

Mechanical & Electrical Segment

Quarterly results

Revenue for Mechanical & Electrical segment decreased by 40.6% to RM22.5 million from RM37.8 million in the previous year's corresponding quarter, due to lower work progress during the quarter.

In contrast, the segment's operating profit on a y-o-y perspective climbed 75.6% to RM3.7 million, primarily due to higher impairment gains on trade receivables and higher margins resulting from the finalisation of accounts for completed projects.

Financial year-to-date

The segment's operating profit grew by 124.4% to RM9.5 million, compared to RM4.2 million in the same period last year. This increase in profit was achieved through a combination of better margins, lower operating expenses, and higher impairment gains on financial assets. This reported growth was despite a marginal 2.4% rise in revenue, which increased to RM83.9 million from RM81.9 million a year earlier.

Construction & Infrastructure Segment

Quarterly results

For 3QFY24, Construction & infrastructure segment's revenue rose 32.0% to RM114.3 million, while operating profit hit RM3.2 million, nearly three times the RM1.2 million posted a year ago, on account of higher work performed from the on-going projects.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B1 Review of performance (Cont'd)

Construction & Infrastructure Segment (Cont'd)

Financial year-to-date

The segment reported a nearly three-fold rise in operating profit to RM9.2 million for YTD 3QFY24, as revenue climbed 52.0% to RM348.5 million from RM229.2 million a year earlier, due to the accelerated progress in the newer projects.

B2 Material changes in profit before tax for the quarter

For the current quarter under review, the Group recorded profit before tax of 9.2 million on the back of revenue of RM256.6 million as compared to profit before tax of 8.7 million and revenue of RM282.3 million in the immediate preceding quarter.

The higher profit was mainly due to a better share of results from an associate.

B3 Commentary on prospects

We expect 2024 to be a year of transition. Economic activities have picked up and several government infrastructure projects are ongoing. However we are mindful of high inflation, continuing geopolitical tensions with lingering supply chain issues, and the weak Ringgit that poses strategic risks.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	2,022	1,111	6,870	3,734
- Foreign tax	-	5	6	7
	<u>2,022</u>	<u>1,116</u>	<u>6,876</u>	<u>3,741</u>
(Over)/under provision in the previous financial year:-				
- Malaysian tax	(79)	36	(79)	36
	<u>1,943</u>	<u>1,152</u>	<u>6,797</u>	<u>3,777</u>
Deferred tax:-				
- Origination and reversal of temporary differences	(279)	163	(770)	(262)
- Under provision in the previous financial year	169	8	169	195
	<u>(110)</u>	<u>171</u>	<u>(601)</u>	<u>(67)</u>
	<u>1,833</u>	<u>1,323</u>	<u>6,196</u>	<u>3,710</u>

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B6 Corporate proposals

As at 19 February 2024, there were no corporate proposals announced.

B7 Borrowings

The Group's borrowings as at 31 December 2023 were as follows:-

	Total RM'000
Long-term borrowings:-	
Hire purchase liabilities, secured	4,739
Lease liabilities	2,808
Term loans, secured	8,500
	<hr/> 16,047
Short-term borrowings:-	
Bank overdrafts, secured	8,355
Bank overdrafts, unsecured	3,164
Bankers' acceptance, secured	25,000
Bankers' acceptance, unsecured	13,806
Hire purchase liabilities, secured	2,528
Invoice financing, unsecured	40,403
Lease liabilities	2,139
Revolving credit, secured	5,000
Revolving credit, unsecured	124,100
Term loans, secured	6,000
	<hr/> 230,495
Total borrowings	<hr/> 246,542 <hr/>

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 December 2023 were as follows:-

	Contract / notional amount RM'000	Assets RM'000	Liabilities RM'000
<u>Derivative not designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	461	24	-
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	17,472	363	-
	<hr/> 17,933	<hr/> 387	<hr/> -

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B8 Derivative financial instruments (Cont'd)

The Group enters into foreign currency forward contracts to hedge against the Group's exposure to foreign currency risks as a result of purchases denominated in currencies other than its functional currency for which firm commitments existed at the end of the reporting period.

There were no cash requirements for these derivatives and they are not subject to significant credit risk, market risk and liquidity risk.

In line with the Group's foreign currency hedging policy, hedging is only considered for firm commitments. These derivatives and their underlying exposures will be monitored on an on-going basis.

With respect to derivatives not designated as hedging instruments, they are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss. These fair value changes are attributable to changes in foreign exchange spot and forward rates.

For those derivatives designated as hedging instruments (cash flow hedge), the effective portion of changes in fair value of those derivatives is recognised in other comprehensive income. The gain or loss in relation to ineffective portion is recognised immediately in profit or loss.

B9 Gain arising from fair value changes in financial liabilities

	Current quarter gain RM'000	Year to date gain RM'000
Foreign currency forward contracts	397	66

B10 Changes in material litigation

As at 19 February 2024, save as disclosed below, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group:-

Via a Writ Summons dated 27 July 2020, the wholly owned subsidiary, Pansar Engineering Services Sdn Bhd ("PESSB") brought an action (Suit No. BKI-22 NCvC-59/7 of 2020) against Bina Puri Sdn Bhd ("BPSB") for the outstanding balance of RM2,846,951.28 being total final payment for works done under 2 Letters of Award in respect of the air conditioning and mechanical ventilation system for Blocks A, B and C and Interior Design Works for Blocks A and C at Pusat Pentadbiran Negeri Sabah.

Further in the same suit, PESSB claimed against BPSB for the sum of RM17,196.65 being costs and expenses incurred in the sub-sales of the Apartment Units purportedly as payment in kind by BPSB to PESSB which sub-sales were rescinded.

On 14 August 2020, PESSB applied to enter summary judgement. BPSB then applied to stay proceedings of the suit pending arbitration. PESSB and BPSB have agreed to proceed to arbitration and an arbitrator has been appointed.

In the same arbitration, BPSB counterclaimed PESSB for the alleged sum of RM2,386,714.59 alleging delayed by PESSB and defects not completed by PESSB, which were denied.

Arbitration hearing of the claim and counterclaim has been held via zoom from 11 October 2021 to 16 October 2021 and 22 October 2021. Both parties have completed with the final submission of claims on 17 December 2021.

On 10 May 2022, a Final Award was obtained in favour of PESSB in which BPSB shall pay PESSB the sum of RM2,685,112.92 as full and final settlement within 21 days after the day upon which either party shall have taken up the Final Award.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B10 Changes in material litigation (Cont'd)

BPSB shall also pay to PESSB, interest at the rate of 5% simple interest per annum on the sum of RM2,685,112.92 from 22 July 2020 until the actual realization.

On 14 July 2022, PESSB filed Originating Summons No. WA-24C(ARB)-34-08/2022 ("OS 34") to register and enforce the Arbitration Award. On 27 July 2022, BPSB filed Originating Summons No. WA-24C(ARB)-30-07/2022 ("OS 30") to set aside the Arbitration Award. PESSB applied to dismiss OS 30 & allow OS 34. Hearing for both OS 34 and OS 30 was fixed on 28 November 2022, but was further extended to 19 January 2023 in view of the unforeseen public holiday on 28 November 2022.

PESSB and BPSB had on 19 April 2023 executed a Settlement Agreement in which BPSB agreed to make fifteen (15) monthly instalment payments totalling RM3,200,000.00 as a full and final settlement.

Despite the above, the Board is of the view that the abovementioned case has no material adverse impact on the financial position or business of the Company and/or the Group.

B11 Dividend payable

No interim dividend has been declared for the financial period ended 31 December 2023.

B12 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	7,362	2,372	20,624	6,212
Weight average number of ordinary shares in issue ('000)	465,665	460,057	465,295	460,057
Basic earnings per share based on weighted average number of shares in issue (sen)	1.58	0.52	4.43	1.35

(b) Diluted earnings per share

	Quarter ended		Year to date	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	7,362	2,372	20,624	6,212
Weight average number of ordinary shares in issue ('000)	694,991	918,303	694,621	918,303
Basic earnings per share based on weighted average number of shares issue (sen)	1.06	0.26	2.97	0.68

B13 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the Company and its subsidiaries for the financial year ended 31 March 2023 was not subject to any qualification.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B14 Profit for the year

Profit before taxation is arrived at after charging / (crediting):-

	Quarter ended		Year to date	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	88	54	578	186
Allowance for slow-moving inventories no longer required	(30)	(203)	(166)	(421)
Bad debts recovered	(49)	-	(49)	-
Bad debts written off	5	-	5	39
Collective impairment losses on receivables	720	36	1,982	2,197
Collective impairment losses on receivables no longer required	(538)	(256)	(827)	(1,376)
Contract assets written back	(549)	-	(549)	-
Contract assets written off	-	549	-	549
Depreciation and amortisation	4,664	4,238	14,393	11,871
Fair value loss on other investments	183	147	220	2,456
Fair value gain on short-term investments	(46)	(103)	(209)	(296)
Impairment losses on intangible assets	(640)	714	-	808
Impairment losses on intangible assets no longer required	(981)	-	(981)	-
Impairment losses on contract assets	-	490	-	490
Impairment losses on contract assets no longer required	(119)	-	(452)	(42)
Individual impairment losses on receivables	549	31	658	833
Individual impairment losses on receivables no longer required	(559)	(410)	(2,228)	(2,238)
Intangible assets written off	1,221	-	1,221	-
Interest expense	2,912	2,367	8,817	6,034
Interest income	(125)	(96)	(347)	(300)
(Gain)/loss on forward foreign currency contracts	-	(42)	12	349
Gain on derecognition of leases	-	(19)	(73)	(20)
Gain on disposal of property, plant and equipment	(6)	(135)	(195)	(164)
Realised loss on foreign exchange	212	33	312	316
Realised loss/(gain) on derivatives	-	-	26	(129)
Unrealised loss/(gain) on foreign exchange	166	(463)	48	(46)
Unrealised gain on derivatives	(24)	(49)	(24)	(105)